

UNITED STATES DISTRICT COURT
IN THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

GEORGE MOUSA MUFARREH,
an Individual,

Case No.: CZ

Plaintiff,

- vs -

TBF FINANCIAL, LLC.,
a Michigan limited liability company;
CANNON LAW ASSOCIATES,
a Utah Professional limited liability company;
KABBAGE, INC.,
a Foreign corporation; and
CELTIC BANK CORPORATION,
a Utah Corporation,

Defendants.

THE RUBINSTEIN LAW FIRM
Jan Jeffrey Rubinstein (P57937)
Ryan P. Richardville (P77335)
Attorneys for Plaintiff
30150 Telegraph Rd., Ste. 444
Bingham Farms, MI 48025
(248) 220-1415

CANNON LAW ASSOCIATES
Spencer B. Lythgoe #11921
Attorney for Defendant, TBF
8619 S. Sandy Pkwy., Ste. 111
Sandy, UT 84070
(801) 255-7475

COMPLAINT AND JURY DEMAND

Now COMES Plaintiff, GEORGE MOUSA MUFARREH, by and through its attorneys, THE RUBINSTEIN LAW FIRM, and for his Complaint and Jury Demand, states as follows:

INTRODUCTION

1. This is an action for damages brought by an individual consumer for Defendants' violations of the Fair Debt Collection Practices Act (FDCPA), 15 USC 1692 et seq., and the Michigan Collection Practices Act (State Act), MCL 339.901 et seq., which prohibit debt collectors from engaging in abusive, deceptive, and unfair practices.

2. Plaintiff also brings claims under the Michigan Consumer Protection Act (MCPA), MCL 445.901 et seq., and common law negligence for the improper conduct engaged in by Defendants.

JURISDICTION AND VENUE

3. Jurisdiction of this Court arises under 15 USC 1692k(d) and 28 USC 1337, and supplemental jurisdiction exists for the state law claims pursuant to 28 USC 1367.
4. Plaintiff, GEORGE MOUSA MUFARREH, is an individual residing at 21630 Beechcrest St., Dearborn Heights, MI 48127.
5. Defendant, TBF FINANCIAL, LLC is a Foreign limited liability company, with a registered office address at 740 Waukegan Road, Suite 404 Deerfield, IL 60015 and operates throughout the United States, including Wayne County, MI.
6. Defendant, CANNON LAW ASSOCIATES, is a Utah Professional Corporation that is principally engaged in the business of collecting debts, with its principal place of business at 8619 S. Sandy Pkwy., Ste. 111 Sandy, UT 84070.
7. Defendant, KABBAGE, INC. is Foreign corporation with a registered office address of P.O. Box 77081 Atlanta, GA 33057 and operates throughout the United States, including Wayne County, MI.
8. Defendant, CELTIC BANK CORPORATION, is a Utah corporation with a registered office address of 268 S. State St., Ste. 300 Salt Lake City, Utah 84111 and operates throughout the United States, including Wayne County, MI.
9. The events giving rise to this cause of action arose in the County of Wayne, State of Michigan.
10. The amount in controversy exceeds Twenty-Five Thousand Dollars (\$25,000.00).

11. Venue is properly laid in this Court.

FACTUAL ALLEGATIONS

12. Plaintiff incorporates and realleges all above paragraphs as if set forth in full herein.
13. Defendants, TBF FINANCIAL, LLC, KABBAGE INC., and CELTIC BANK CORPORATION, by and through its counsel, CANNON LAW ASSOCIATES, initiated collection proceedings against Plaintiff, GEORGE MOUSA MUFARREH, for a balance allegedly due pursuant to a business loan.
14. In the course of its collection efforts, all Defendants have failed to respond to Plaintiff's repeated requests, both orally and in writing, for a full account statement history.
15. All Defendants have also failed to provide a copy of the agreement at issue in this matter fully depicting the wet note signature of the alleged debtor.
16. In the course of its collection efforts, all Defendants have failed to respond to Plaintiff's repeated requests, both orally and in writing, for a proper verification of the alleged debt, nor a valid assignment of the alleged debt.
17. Defendants' refusal to provide the agreement in a timely manner was intended to deprive Plaintiff, GEORGE MOUSA MUFARREH, of his rights under the contract, including the right to elect to have any action heard through arbitration as opposed to the courts.
18. As a result of Defendants' actions and inactions, Plaintiff, GEORGE MOUSA MUFARREH, was improperly sued in his personal capacity for a commercial business loan of which Plaintiff operates.
19. As a result of the improper attempts to collect an alleged debt, Plaintiff has suffered

from the improper reporting to credit bureaus for this alleged debt in his personal capacity.

COUNT I - VIOLATIONS OF THE FDCPA AGAINST ALL DEFENDANTS

20. Plaintiff incorporates and realleges all above paragraphs as if set forth in full herein.
21. Defendants have violated the FDCPA. The violations by the Defendants, include, but are not limited to, the following:
 - a. Failure to send a written debt validation notice [15 USC 1692g] § 809(a);
 - b. Ignoring written requests to verify the debt and continuing attempts to collect [15 USC 1692g] § 809(b);
 - c. Continued attempts to collect on alleged debts before providing verification [15 USC 1692g] § 809(b);
 - d. Continued collection attempts after receiving a cease communication notice [15 USC 1692c] § 805(c);
 - e. Demanding payment in amounts that are in excess of amounts actually owed [15 USC 1692e] § 807(2)(a);
 - f. Demanding payment on interest, fees and expenses prohibited by law [15 USC 1692f] § 808(1);
 - g. Threatening action that is prohibited by law [15 USC 1692e] § 807(5);
 - h. Illegally informing third-parties of the alleged debts [15 USC 1692e] § 805(b);
 - i. Making material misrepresentations regarding the alleged debt [15 USC 1692e] § 807(b); and
 - j. Failed to identify themselves as a debt collector during their attempts to

collect on the debt 15 USC 1692e] § 807(11).

22. As a result of Defendants' violations of the FDCPA, Plaintiff suffered actual damages and is also entitled to an award of statutory damages, costs, and attorney fees.

WHEREFORE, Plaintiff, GEORGE MOUSA MUFARREH, respectfully requests that this Honorable Court enter judgment against Defendants, TBF FINANCIAL, LLC, CANNON LAW ASSOCIATES, KABBAGE, INC., and CELTIC BANK CORPORATION jointly and severally, as follows:

- a. Actual damages and statutory damages of \$1,000 pursuant to the FDCPA;
- b. Treble damages or \$150, whichever is greater, pursuant to the Michigan Collection Practices Act;
- c. Costs and reasonable attorney fees pursuant to 15 USC 1692k and MCL § 339.916(2).

COUNT II – VIOLATIONS OF THE MICHIGAN COLLECTION PRACTICES ACT

23. Plaintiff incorporates and realleges all above paragraphs as if set forth in full herein.
24. Defendants violated the Michigan Collection Practices Act. Defendants' violations include, but are not limited to, the following:
 - a. Communicating with a Plaintiff in a misleading and deceptive manner [MCL § 445.252(a)];
 - b. Making inaccurate, misleading, untrue and deceptive statements and claims in communications to collect a debt [MCL § 445.252(e)];
 - c. Making material misrepresentations in a communication regarding an alleged debtor [MCL § 445.252(f)];
 - d. Communicating with Plaintiff without disclosing their identity as a debt

collector [MCL § 445.252(g)];

- e. Using a harassing, oppressive, or abusive method to collect a debt [MCL § 445.252(n)]; and
- f. Failing to implement a procedure designed to prevent a violation by an employee [MCL § 445.252(q)].

25. As a result of Defendants' willful violations of the Michigan Collection Practices Act, Plaintiff suffered actual damages, and is entitled to an award of treble damages, statutory damages, costs, and attorney fees.

WHEREFORE, Plaintiff, GEORGE MOUSA MUFARREH, respectfully requests that this Honorable Court enter judgment against Defendants, TBF FINANCIAL, LLC, CANNON LAW ASSOCIATES, KABBAGE, INC., and CELTIC BANK CORPORATION, jointly and severally, as follows:

- a. Actual damages and statutory damages of \$1,000 pursuant to the FDCPA;
- b. Treble damages or \$150, whichever is greater, pursuant to the Michigan Collection Practices Act;
- c. Costs and reasonable attorney fees pursuant to 15 USC 1692k and MCL § 339.916(2).

COUNT III – VIOLATION OF THE FAIR CREDIT REPORTING ACT AGAINST ALL DEFENDANTS

26. Plaintiff incorporates and realleges all above paragraphs as if set forth in full herein.
27. Defendants violated 15 USC 1681e(b) by failing to establish or to follow reasonable procedures to ensure maximum possible accuracy in the preparation of the credit report and credit files it published and maintains concerning Plaintiff, GEORGE MOUSA MUFARREH.
28. Defendants violated 15 USC 1681i by failing to delete inaccurate information in

Plaintiff's credit file after receiving actual notice of the inaccuracies; by failing to conduct a lawful reinvestigation; by failing to forward all relevant information to the furnisher at issue; by failing to maintain reasonable procedures with which to filter and verify disputed information in Plaintiff's credit file; and by relying on verification from an unknown, unreliable source.

29. Defendants' conduct, actions, and inactions were willful, rendering it liable for punitive damages in an amount to be determined by this Court and pursuant to 15 USC 1681n. In the alternative, Defendants' were negligent, entitling Plaintiff to a recovery pursuant to 15 USC 1681o.
30. Plaintiff is entitled to recover costs and attorney fees from Defendants in an amount to be determined by this Court and pursuant to 15 USC 1681n and/or 15 USC 1681o.

WHEREFORE, Plaintiff, GEORGE MOUSA MUFARREH, respectfully requests that this Honorable Court enter judgment against Defendants, TBF FINANCIAL, LLC, CANNON LAW ASSOCIATES, KABBAGE, INC., and CELTIC BANK CORPORATION, jointly and severally, for compensatory and punitive damages, costs and reasonable attorney fees, prejudgment and postjudgment interest at the legal rate, and punitive damages in an amount determined by this Court, and any other such relief that this Court deems necessary and just.

COUNT IV – NEGLIGENT HIRING/SUPERVISION AGAINST ALL DEFENDANTS

31. Plaintiff incorporates by reference paragraphs one through twenty-one.
32. The Defendants owed to the Plaintiff the duty to exercise reasonable care in employing and/or contracting with employees, agents and/or attorneys for debt collection purposes.

33. The Defendant, CANNON LAW ASSOCIATES, breached their duty and were negligent. Defendant's negligence included, but is not limited to the following acts and omissions:

- i. Communicating with a Plaintiff in a misleading and deceptive manner;
- ii. For failing to provide adequate job supervision and job training;
- iii. For using inadequate work methods;
- iv. Intentionally and/or negligently failing to adhere to the contract's arbitration provisions;
- v. Intentionally and/or negligently failing to provide a valid assignment of any alleged debt, a proper assignment of the alleged debt, and a copy of the contract bearing a wet mark signature of Plaintiff from which the alleged debt arises

34. The Defendants, TBF FINANCIAL, LLC, CANNON LAW ASSOCIATES, KABBAGE, INC., and CELTIC BANK CORPORATION breached their duties and were negligent. Defendants' negligence included but is not limited to the following acts and omissions:

- a. Primary negligence:
 - vi. They failed to select, employ, and retain in its service a careful or competent debt collectors;
 - vii. They failed to warn the Plaintiff of the unreasonable and intrusive methods debt collection utilized by its debt collection agents;
 - viii. They failed to provide, or require, a compliance program to prevent violations of the FDCPA, MCPA; and

ix. They gave ambiguous orders and acquiesced in negligent methods of work.

b. Vicariously, as follows:

- i. For Defendants' employees, agents and/or attorneys failure to establish and enforce rules regarding the lawful and appropriate methods of debt collection;
- ii. For Defendants' employees, agents and/or attorneys failure to provide adequate job supervision and job training; and
- iii. For Defendants' employees, agents and/or attorneys using improper and unlawful work methods.

35. The acts or omissions of the Defendants was a proximate and direct cause of the Plaintiff's injuries and damages.

WHEREFORE, Plaintiff, GEORGE MOUSA MUFARREH, respectfully requests that this Honorable Court enter judgment against Defendants, TBF FINANCIAL, LLC, CANNON LAW ASSOCIATES, KABBAGE, INC., and CELTIC BANK CORPORATION, jointly and severally, in an amount in excess of \$25,000.00 and award costs and attorney fees wrongfully incurred.

COUNT V – VIOLATION OF THE MICHIGAN CONSUMER PROTECTION ACT AGAINST ALL DEFENDANTS

36. Plaintiff incorporates by reference paragraphs one through thirty-eight.
37. By engaging in or attempting to engage in the practice of debt collection without adherence to the rules set forth by the Fair Debt Collection Practices Act and the Michigan Collection Practices Act, Defendants have violated the Michigan Consumer Protection Act.
38. Plaintiff is an “affected person” within the meaning of the Michigan Consumer

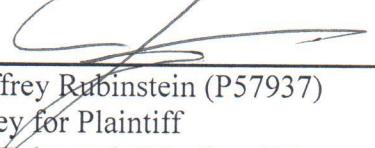
Protection Act.

39. Plaintiff is a person who has suffered a loss within the meaning of the Michigan Consumer Protection Act.
40. Defendants are engaged in “trade or commerce” within the meaning of the Michigan Consumer Protection Act.
41. Defendants, by representing that they were fully compliant with the provisions of the Fair Debt Collection Practices Act and the Michigan Collection Practices Act have violated the Michigan Consumer Protection Act.
42. Unless restrained by the Court, Defendants will continue to violate the Michigan Consumer Protection Act.

WHEREFORE, Plaintiff, GEORGE MOUSA MUFARREH, respectfully requests that this Honorable Court enter judgment against Defendants, TBF FINANCIAL, LLC, CANNON LAW, PLC, KABBAGE, INC., and CELTIC BANK CORPORATION, jointly and severally, as follows:

- a. That this Court enter an order forbidding Defendants from engaging in or offering to engage in any debt collection activity with respect to Plaintiff, for which adherence to the Fair Debt Collection Practices Act and the Michigan Collection Practices Act, is required.
- b. That this Court enter an order commanding Defendants to take whatever corrective action this Court deems just in order to counter the existing legal actions against Plaintiff by Defendants.
- c. That the Court award Plaintiff actual costs and attorney fees.
- d. A monetary judgment in an amount in excess of \$25,000.00 together with interest, costs, and reasonable attorney fees.

Respectfully Submitted,
THE RUBINSTEIN LAW FIRM

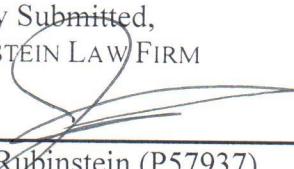
By: /s/ 
Jan Jeffrey Rubinstein (P57937)
Attorney for Plaintiff
30150 Telegraph Rd., Ste. 444
Bingham Farms, MI 48025
(248) 220-1415

Dated: February 21, 2017

JURY DEMAND

Plaintiff, GEORGE MOUSA MUFARREH, hereby demands a jury trial.

Respectfully Submitted,
THE RUBINSTEIN LAW FIRM

By: /s/ 
Jan Jeffrey Rubinstein (P57937)
Attorney for Plaintiff
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Bingham Farms, MI 48025
(248) 220-1415

Dated: February 21, 2017